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FOR IMMEDIATE RELEASE

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LEADER OF INTERNATIONAL INTERNET DRUG TRAFFICKING NETWORK FOUND GUILTY

PHILADELPHIA – United States Attorney Pat Meehan announced today that Akhil Bansal and Fred Mullinix were found guilty on all counts for their involvement in an international Internet pharmacy network that imported and distributed millions of dollars worth of non-controlled and controlled drugs. The jury deliberated for only one day following a seven-week trial. This is the first Internet pharmacy prosecution in the Eastern District of Pennsylvania. Three other defendants are awaiting trial in June. All others have either pleaded guilty or are awaiting extradition from Australia or India.

The indictment, returned April 6, 2005, charged 17 individuals with participating in the international conspiracy to move drugs to individuals in the United States through a number of Internet pharmacy Web sites and with laundering millions of dollars in proceeds. From at least July 2003 until April 2005, Brij Bhushan Bansal (currently in custody in India) and his son, defendant Akhil Bansal, a graduate student at Temple University in Philadelphia, headed the organization that served as a fulfillment center for numerous Internet pharmacy Web sites – one of which was operated by defendant Mullinix – that sold pharmaceutical drugs with no prescriptions or doctor's visits as required by law.

"This is an important guilty verdict because this case shows us how the Internet has opened the door to an unregulated universe from which anyone with access to a computer can purchase just about anything," said Meehan. "It's a dangerous way to bypass the safeguards that are in place to protect the public and these defendants now face the consequences for putting people at risk."

"The ground-breaking investigation, prosecution, and conviction of these defendants and their international based pharmaceutical drug trafficking organization was the first of its kind in the country," according to Special Agent in Charge James M. Kasson of the DEA Philadelphia Field Division. "Through today's guilty verdict, a loud message is being sent to any and all potential violators. Justice was served through the conviction of Ahkil Bansal and Fred Mullinix."

Background

As charged in this indictment, defendant Brij Bhushan Bansal is a physician, based in India, who has built a family empire selling drugs to American citizens. Bansal was assisted in this enterprise by his son, defendant Akhil Bansal, his daughter, defendant Julie Agarwal, his son-in-law, defendant Yatindra Agarwal, and an employee, defendant Himanshu Kulshrestha. Together, the India-based members of the Bansal organization solicited business by posting on internet bulletin boards and by sending e-mails to Web site operators offering to fill orders placed by consumers over their Web sites.

The Web site-operator customers sent orders to the Bansal organization mostly in the form of Excel spreadsheets containing lists of consumers, their mailing addresses, and the items they ordered. Sometimes these orders were processed in India, and the packages shipped to the United States in bulk form for reshipment to consumers. At other times, bulk quantities of drugs were shipped to the United States where they were packaged and processed in various depots and then shipped directly to consumers.

The Bansal organization then returned the original spreadsheet to the originating Web site-operator customers with the tracking numbers for each customer's shipment added to the spreadsheet. The website-operator customers, who had collected payment from the customers at the time of the order, were then billed by the Bansal organization.

The Web site-operator customers usually paid the Bansal organization by sending wire transfers to the organization's various bank accounts in the United States and in India, as well as to their several offshore banks.

Defendant Akhil Bansal, a physician who is a graduate student at Temple University, ran the United States branch of the organization.

The Web Sites

At the core of this conspiracy that poured millions of unprescribed pills into the United States are the Web sites.

None of the Web sites named in these indictments, or any of the sites operated by the men and women charged in these indictments, requires a consumer to furnish a prescription as required by law for the dispensing of controlled substance pharmaceutical drugs and non-controlled prescription drugs. Yet they sold – requiring nothing more than a credit card number – drugs that can cause serious harm if not taken under the supervision of a physician.

“The public is placed at enormous risk with Internet operations such as this where the drugs come from unknown sources and there is no physician oversight,” said Kim A. Rice, FDA Special Agent in Charge, Metro Washington Field Office. “As this verdict demonstrates, those who circumvent the laws in place to protect the consuming public will be held accountable.”

This case was investigated by the Drug Enforcement Administration, the Food and Drug Administration – Office of Criminal Investigations, the Internal Revenue Service Criminal Investigation Division, Federal Bureau of Investigation, U.S. Postal Inspectors, Immigration and Customs Enforcement,, Department of Defense Criminal Investigative Service, the Philadelphia Police Department, Chester City Police Department, Delaware County C.I.D., Bristol Township Police, Lower Merion Police, Cheltenham Township Police, and Bensalem Township Police.

Prosecution of this case has been assigned to Assistant United States Attorneys Frank Costello, Bea Witzleben, Paul Shapiro, and Senior Trial Attorney James R. Pavlock of the Asset Forfeiture and Money Laundering Section of the Department of Justice.

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